

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION FREE CONFERENCE COMMITTEE ON SENATE BILL 176

Call to Order: By **CHAIRMAN LORENTS GROSFIELD**, on April 19, 2001
at 2:10 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Lorents Grosfield, Chairman (R)
Rep. John Witt, Chairman (R)
Rep. Ron Erickson (D)
Rep. John Esp (R)
Sen. Mike Halligan (D)
Sen. Walter McNutt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Linda Ashworth, Committee Secretary
Valencia Lane, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 176, 4/18/2001

HEARING ON SB 176

Questions from Committee Members and Responses:

Valencia Lane explained the proposed amendments (**SB017616.av1**), **EXHIBIT(frs88sb0176a01)** to SB 176. The amendments would activate the Judicial Council as of July 1, 2001 and allow county employees to become state employees as of July 1, 2002. County employees transferred over in 2002 would have their pay protected and the pay plan would not be implemented until July 1, 2003 when the Supreme Court would adopt the judicial branch plan. The amendments would move the effective date one year.

Judy Paynter, Montana Department of Revenue, maintained the department would look at the county district court expenditures from fiscal year 2001, and would deduct them from their entitlement share payments. The monies for administering the Supreme Court would be deducted from the counties' entitlement share.

REP. JOHN ESP asked **Ms. Paynter** to clarify.

Judy Paynter explained the process would consist of defining district court expenditures from non-district court expenditures. She instructed that her office would work with counties to consistently and uniformly define those expenditures in fiscal year 2001. Those court expenditures for fiscal year 2001 would be deducted from the revenue entitlement share and would be given to the Montana Supreme Court to pay the same expenditures.

REP. ESP reiterated that the number would be based on fiscal year 2001. He surmised that the entitlement share of HB 124 for fiscal year 2002 would not be deducted from the county court cost, but would be deducted in 2003. **Judy Paynter** clarified she had given the 2003 version because of a slight complication in 2001 for the one year delay. The money would be added to the 2002 payment entitlement share payment. The base would be established and then in 2002 the money would be given to back to the counties for that year only.

REP. RON ERICKSON wondered if the suggestion was included in HB 124. **Judy Paynter** explained that the Department of Revenue would be responsible for determining and working out the numbers in HB 124.

Gordon Morris, Director of the Association of Counties, agreed with **Ms. Paynter**, adding that it would not be as uncertain as it would appear. He explained that while counties could be doing different things they would all have to comply with the BAR's Chart of Accounts, which would dictate the difference between a district court expense versus an expense for the general fund. Many counties still fund district courts out of the general fund but there's still identifiable costs pursuant to the BAR's Chart of Accounts. He clarified that **Ms. Paynter** was suggesting that the bill would clean up fiscal year 2001, allowing the funds to be correctly identified as a court fund or a general fund. The Chart Account would control and decide whether the deposited money would be appropriate.

SEN. LORENTS GROSFIED asked for an example of an expenditure or account that might be treated differently from one county to another. **Mr. Morris** explained there were variations in the

funding of district court expenses. He surmised that many counties would have staff that could be misapplying charts, codes and funding expenses that should legitimately come from other funds such as welfare or the general fund.

REP. ESP queried whether the numbers being used in HB 124 would be based on the BAR's Charts of Accounts. **Mr. Morris** explained that the numbers in HB 124 were the numbers the interim committee had received from the clerks of court from all 56 counties for the period 1998-99. The numbers would need to be updated for the fiscal year 2001. The 2001 figure would be fixed to HB 124, relative to the deduction made against the entitlements.

REP. ESP wondered if the numbers on HB 124 were adjusted for growth. **Judy Paynter** responded that the numbers were confirmed through a survey of the counties. Inflation was applied to the numbers to bring them to the current fiscal year 2001.

REP. ERICKSON questioned why the transition was pushed to 2002. **Judy Paynter** responded that pushing the transition to 2002 would allow the employees to participate in the development of the pay plan. The actual taking over of district court had been July 1, 2001, which was changed to July 1, 2002. The Supreme Court had stressed some concerns over taking on the district courts, stressing the need for more preparation time. The bill had been amended to create the judicial council to address those preparations.

REP. ERICKSON wondered about the second transition after 14 months. **Ms. Paynter** reiterated the second transition would allow the judiciary to develop a pay plan that would address employees that have become state employees under the new system. The employees would participate with the judiciary council on the pay plan.

REP. ERICKSON voiced his concerns that delaying the pay plan an extra year would hurt some judicial employees. **Judy Paynter** explained that for fiscal year 2003, as written in the bill, county employees that joined the state would receive the state pay raise.

REP. JOHN WITT requested that **Gordon Morris** explain the reimbursement and county portion. **Mr. Morris** referred him to section 17 on page 12-13. **Mr. Morris** explained the expenses would back off one year in fiscal year 2003. He stated that page 13 line 10 stated, "that if money appropriated for the expenses listed in 4(a) would be insufficient to fully fund those expenses the county is responsible for payment of the balance". The sunset, contained later in the bill, contains bracketed language

that would be gone after the sunset in fiscal year 2003. The language on page 12, line 28 and ending on line 2 on page 13 would also disappear after the sunset.

SEN. MIKE HALLIGAN wondered how the language regarding the county being responsible for youth committed to youth court would dovetail with SB 176. **Mike Ferriter, Administrator Community Corrections**, purported there would need to be a coordinating instruction in order to make SB 386 work. He suggested the coordinating instruction change the committing "county" to the committing "youth court". That would resolve the issue of eliminating the word "county".

SEN. HALLIGAN clarified that the expenses would be borne by the committing youth court. He wondered where the funding had previously originated. **Mr. Ferriter** explained that the funds had been county/district court expenses. He maintained that the funds had never belonged to the Department of Corrections. **Gordon Morris** stated the amendment would designate youth court expenses as district court expenses, which would accrue to the state under the intent of SB 176.

Motion: **REP. ESP** moved that **SB 176 BE AMENDED (SB017616.av1) and INCLUDE LANGUAGE THAT WOULD COORDINATE THE BILL WITH SB 386.**

Discussion:

Valencia Lane indicated the amendment would read, "If both SB 386 and SB 176 are passed and approved then 52-5-109 in SB 386 is amended to read: "The expenses of committing a youth to the department or to the youth court must be borne by the committing youth court."

VOTE: **REP. ESP'S** motion that **SB 176 BE AMENDED** passed unanimously.

Motion/Vote: **REP. ESP** moved that **SB 176 BE ADOPTED AS AMENDED.** Motion carried unanimously.

ADJOURNMENT

Adjournment: 2:35 P.M.

SEN. LORENTS GROSFIELD, Chairman

LINDA ASHWORTH, Secretary

LG/LA

EXHIBIT (frs88sb0176aad)